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Second country cooperation framework for Belarus (2001-2004)

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Introduction

1. The second country cooperation framework (CCF) for Belarus is based on the national development priorities, in particular as described in the Government's programme for the social and economic development of Belarus Government for the period 2001–2005. The CCF builds on the successful experiences of past cooperation and draws on an approach paper to the CCF the country programme review completed in May 2000, the Resident Coordinator's report for 1999, the national human development reports and the programmes of donors and United Nations agencies. It uses the strategic results framework (SRF) prepared in 1999, outlining the expected outcomes of UNDP assistance in Belarus for the period 2000-2003, and the Country Office Management Plan, which responds to the Administrator's Business Plans approved by the Executive Board in January 2000. The CCF thus responds to the development priorities of Belarus that are of common concern to the Government and UNDP and it focuses on programme areas in which UNDP is best placed to contribute to positive changes of national significance with visible results.

I. Development situation from a sustainable human development perspective

2. The Government is completing the five-year plan for the period 1996-2000. This was prepared to check the rapid rate of economic recession, deterioration in living standards and decline in production that began with the process of transition in 1991. During this plan, Belarus avoided experiencing the extreme forms of human, social and economic insecurity seen in some transition countries. Growth was fastest from 1996 to the first half of 1998, permitting a return of the economy to 1991 levels. Growth subsequently slowed with a consequent effect on society and the economy. Achievements during the first plan are attributed by the Government to a strengthening of State control over social and economic processes in direct response to the need to respond effectively to problems before they became more serious. This response includes the promotion of State-owned and State-managed enterprises with protected domestic markets.

3. The development situation and, hence, the emerging priorities of the Government derive from its experiences in the 1996-2000 plan and its gradual approach to reform. These are reflected in the Government's Programme Concept for Social and Economic Development of Belarus for the period 2001-2005. The basic objective of the Programme Concept is to improve the living standards of Belarusians through export-oriented economic growth with social equity and security. This is to be based on increasing industrial performance, adequate protection of markets, and measures to make better use of peoples' skills and potential. To reach these targets, the programme concept calls for moving towards a market economy with democratization through an emphasis in the first stages on State control and subsequently more emphasis on incentives for private and non-governmental sector growth.

4. The system of governance and development administration in Belarus consists of a presidential administration, with the support of the Council of Ministers at the central level as well as regional, municipal and village-level administrations. More specifically, as stated in the Constitution, "public administration is based on the separation of powers among the legislature, executive and judiciary. The President of Belarus is the Head of State", and in accordance with the Constitution, he "enacts decrees with the power of law, as well as orders and instructions that have legal power throughout the territory of Belarus. The executive power is vested in the Government, with the Council of Ministers as its central body. The Government reports to the president of Belarus and is responsible to the Parliament of Belarus. The Government formulates the key priorities of domestic and foreign policies and takes steps to implement them; it is responsible for the conduct of a single domestic, financial, credit and monetary policy, as well as coordinated policies towards science, culture, health, the environment, social support and wages." With a strong system of central regulation and control, the State owns the majority of national assets, whether in the form of direct ownership or major shares in enterprises. It is dominant in the production and provision of goods and services for the population.

5. The outcomes resulting from the development measures taken by the Government in the context of sustainable human development are as follows:

(a) *Human development and civil society*. The human development index (HDI) for Belarus has almost regained its 1990 level of .804 after an initial setback during 1991-1996. At 0.781, the HDI for 1998 is the highest in the Commonwealth of Independent States and primarily a result of an education index of 0.93, which reflects high levels of enrolment at all stages of education. In comparison, there was less progress in the formation of social and institutional capital for local government, civil society and private sector development, and public access to information technology while growing, remains relatively weak. Thus, while human development is high, the levels of social and institutional capital are relatively low;

(b) *Poverty alleviation and economic development*. The Government has also succeeded in maintaining employment levels at 98.0 per cent of the active working population and wages, pensions and allowances have been paid regularly for most periods since 1996. Employment levels represent a recovery to the 1990 level (although levels of hidden employment are high). However, similar growth did not occur in the economy or in the income of families. Government analysis (Programme Concept 2001-2005) shows 78.8 per cent of the population with per capita income below the minimal required consumer budget and 46 per cent (which is an increase from 32.1 per cent in 1997) below subsistence levels. Thus, while the employment levels are high, the income levels are not adequate to meet minimal consumer needs according to Belarusian standards;

(c) *Gender issues and social constraints*. Although Belarus has avoided some of the more extreme social problems experienced by countries in transition, statistics demonstrate increasing pressures on the well-being of men, women and children. Between 1989 and 1999 the population of Belarus declined by 106,600, with an average annual decline of 0.1 per cent. This in part reflects declines in men's health with national average life expectancy for men now at 62.2 years (in rural areas it is 59.6) compared with 73.9 years for females. Divorce rates over the last five years were among the highest in the world (ranging from 53 per cent to 68 per cent of marriages) while 15 per cent of all families are led by a single parent (almost all of these are single mothers with dependant children). This reflects that women are having to bear an increasing amount of responsibility for family care and are often under great stress. Although levels of education for women are higher than those for men and 52 per cent of the labour force is women, women's wages in 1998 were only 84.9 per cent of those of men. They are also more likely to face difficulty finding a job: 61.7 per cent of unemployed women have been looking for a job for over six months. In the national parliament, female representatives make up less than 10 per cent of the total. In addition, new health problems are developing that increasingly affect younger people. Among these is the spread of HIV/AIDS, which started its rapid growth among injectable drug users in 1997, but is now increasingly expanding through heterosexual contact: there now are more than 3,000 reported HIV positive cases in Belarus;

(d) *Environment and sustainable development*. Belarus continues to face problems resulting from the 1986 Chernobyl catastrophe, which affected 15.8 per cent of the population and contaminated nearly one third of the arable land. The number of people affected means this is a development problem as well as an environmental and humanitarian one. Similarly, the Government is faced with challenges in the conservation of its rich forest resources and wetlands, covering approximately half of Belarusian territory and in the management of water and industrial pollution and their effects on people in Belarus and on the international environment;

(e) *Economy and finance*. The government sector remains predominant in the Belarusian economy. There is a high degree of centralization that affects economic decision-making at the enterprise level, particularly in the area of price formation. This contributes to a comparatively limited role for small and medium-size businesses. Inflation is high and there has been rapid devaluation of the currency; however, the earlier multiple exchange rate system was ended in September 2000 and exchange rates were unified at levels reflecting the market. Amounts of foreign investment are lower than in neighbouring States. In comparison to 1990, the share of the agricultural and industrial sectors in gross domestic product (GDP) has declined while that of services and construction increased. Owing to the economic environment, budgetary revenues declined from $5,163.4 million in 1998 to $3,998.9 in 1999. Similarly, expenditures declined from $5,378.8 million in 1998 to $4,332.2 million in 1999, reflecting the economic and

technological constraints that the Government experienced in implementing its programmes.

6. Against this background, Belarus has preserved its level of human development and softened the extreme effects on people from the transition. This has occurred amid social and economic difficulties, including increased poverty, a decline in public resources and limited market opportunities. Belarus faces the challenge of translating its potentials (human, economic, physical, natural) into higher levels of human and institutional development, which improve peoples' lives and permit them to realize their potential. As reflected in the priority goals of the Government for the period 2001 to 2005, important barriers to developing the enabling environment for social and economic development and forming the best conditions for livelihoods must be overcome. Without this, it will be increasingly difficult for Belarus to meet the costs of sustaining its infrastructure and maintaining existing levels of human development.

7. Government programmes for the period 2001 to 2005 include important priorities that can overcome these barriers in the following areas: (a) policy and legislative development; (b) access to information communication technology; (c) access to the benefits of globalization; (d) promotion of small and medium-size enterprises; (e) alternative institutional and financial means for provision of goods and services; (f) promotion of innovative investments; and (g) social security. These are all priorities of the CCF, along with the strengthening of local governance, developing civil society, improving the observance of human rights, and gender-mainstreaming.

II. Results and lessons of past cooperation

8. During the first CCF period (1997-2000), UNDP support was provided in three major programme areas: sustainable livelihoods, living environments and governance. To increase impact, the second CCF should draw on experience gained in the first CCF and build on the strengths of the programme. Among these strengths are: (a) established and effective working relationships between UNDP and the government at various levels; (b) strong links with civil society organizations and experience in working with them; (c) experience with different approaches to mobilize resources from a range of donor organizations; and (d) proven management structures and procedures for project implementation. However, the country review noted a number of areas, where changes would improve the impact of the programme such as (a) narrowing the sometimes disparate configuration of the programme and making programme impact more consistent and (b) making monitoring and evaluation of projects more systematic and better linked to programme implementation and development. Subsequent to the review, work began on completing a number of projects where there was limited potential for future impact and on strengthening monitoring and evaluation.

9. Through the country review and subsequent feedback from the Government, UNDP headquarters, civil society, and from a briefing to the donor community, the following lessons have therefore been identified for consideration in the formulation of the second CCF:

(a) The CCF should focus on limited strategic programme areas and closure of all ongoing projects with low impact. Internal cohesion, cross-fertilization and synergy among the projects should be improved;

(b) The number of projects should be decreased and focus should be given to programmes. Quality of formulation should improve and project appraisals should become more enriched with the participation of all stakeholders;

(c) UNDP should be an active partner in promoting human rights issues through policy dialogue covering government and non-governmental organizations; and in doing so, encourage the opening-up of resource flows;

(d) The Government and UNDP should identify interventions that will enhance the impact of programmes on the formulation of an enabling environment and regulatory framework for social, economic and political reforms and reducing poverty;

(e) The monitoring and evaluation system, based on the formulation of success indicators, should be developed to strengthen results orientation and to improve the performance of projects and programmes;

(f) The capacity of government and UNDP staff on programme design, implementation management and results management should be developed through training to reinforce replication,

sustenance and government ownership of UNDP support.

III. Objectives, programme areas and expected results

10. UNDP will provide support to enable Belarusians to maximize their own potential for creating conditions for poverty reduction and sustainable human development through equitable economic growth and democratization.

A. Structure of the CCF

11. The overriding objective of the CCF is to support Government efforts to develop an enabling environment for people to realize their capacities to participate in and contribute to market-oriented sustainable democratic development in Belarus. For this, UNDP support will focus in two interrelated, mutually reinforcing programme areas: (a) economic development through strengthening democratic governance and (b) environmental conservation and management.

12. To support the development and implementation of both these programme areas and to facilitate policy dialogue and the advocacy of relevant United Nations themes, work will be carried out through the preparation of national human development reports and other policy studies of an early-warning nature covering different aspects of sustainable human development. At the same time, the capacities of the Government, local authorities, non-governmental organizations (NGOs), private sector organizations and community-based organizations (CBOs), at the regional and local levels will be strengthened through the application of market-oriented democratic solutions to issues of social, economic and environmental development and management. This capacity-building approach will broaden the base for democratic governance. Democratic governance involves the strengthening of state-civil society interactions so that the both the state and civil society better meet the needs of the people. It also involves increased participation of people in decision-making. In applying such an approach, the programme will in addition demonstrate alternative options for the provision of goods and services. The programme will therefore be multithematic since it will link activities that contribute to poverty alleviation and environment management with the development of democratic governance. The programme will be implemented by processes that increase government ownership in order to ensure that there is a strong link between work done on pilot initiatives at the downstream level and the impact on policy, legislative and institutional issues at the upstream level.

13. The two programme areas will be interlinked to enhance their impact and to facilitate a multisectoral, integrated approach to UNDP assistance. Such an approach will be applied through consultations, work planning and monitoring. To ensure demand-driven assistance and sustainability of results, all programmes will adopt an institutional and partnership-based approach to implementation, including using UNDP resources as seed grants, and being designed to facilitate resource mobilization from a range of sources. Human rights, gender-mainstreaming and public access to information will be given high priority during the CCF and these issues will be integrated into all programmes. Expected results from this cross-programme work are: (a) all programme beneficiaries will be applying rights-based approaches to their work in developing and implementing policies; (b) further integration of gender issues in national development and sectoral plans will increase women's participation in entrepreneurship, decision-making and access to information technology; and (c) there will be increased public awareness and commitment to the goals of the UNDP programme for Belarus, and these will be applied to augment programme results.

14. A strategic approach, built around development opportunities, partnerships and dialogue, will be adopted — one through which UNDP will continue to function as a recognized core partner of the Government in further strengthening the process and hence overcoming the difficulties of transition. For this, UNDP will increase its functions as a reliable advisory and resource centre that will create links with the international knowledge available in this field, as a trusted partner to coordinate and mobilize external resources and as the hub to promote people-centred sustainable human development in Belarus.

15. The programme will be strongly linked to partnerships with United Nations specialized agencies, funds and programmes. Partnerships will increase the impact of UNDP assistance and that of the United

Nations system to Belarus, through the work of the United Nations Children's Fund (UNICEF) on women and child issues, UNFPA on reproductive health, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the World Health Organization (WHO), the International Labour Organization (ILO) and the Office of the United Nations High Commissioner for Refugees (UNHCR). UNDP will use its strengths in policy development to complement the substantive sectoral work of the United Nations Organization. Similarly, it will build on existing cooperation with the World Bank on social policy and extend this to economic policy, particularly drawing from the Bank's access to international expertise, and helping to identify areas for financing by development banks. Work on local economic development will be linked with the ongoing work of the International Finance Corporation (IFC) supported by the United States Agency for International Development (USAID) on small business development and work supported by the Government of Germany. The first United Nations Common Country Assessment (CCA) will be ready by the beginning of the CCF and will serve both as an important joint advocacy tool for United Nations system activities and as a base for detailed programme development and implementation.

16. Each programme will use UNDP core resources as seed funds to facilitate donor cost-sharing. Core resources, supplemented by substantial additional resources, will be utilized for programme area 1, economic and democratic governance. Programme area 2, environmental conservation and management, will be primarily developed through the support of the Global Environment Facility (GEF) and the mobilization of UNDP trust funds and other non-core resources. This will be supplemented with limited use of core resources as seed funds needed to mobilize outside resources.

B. Programme area 1: Economic and democratic governance

17. The programme will build on good partnerships with the Government and civil society to help to develop new policies, and the consensus, commitment and means to implement them. It will do this both at the national and local levels. At the local level, by developing ways in which local government, local communities and enterprises can work together differently, the programme will help to reduce the social costs of transition in selected communities, and therefore remove one of the main barriers to economic reform and poverty reduction. At the national level, it will: contribute to the development of policies that respond to the human development needs of the country by building on work done through human development reports; promote work on policy development by a range of institutions; and promote dialogue among them and the Government. Similarly, work on making information and communications technology more accessible will enable people to contribute more to development and provide a means for supporting networking among all partners in the programme and building consensus.

Local development, economic reform and social security

18. UNDP will help to facilitate economic reform through support to the reform of industrial, economic and social enterprises, and by supporting the development of small and medium-size enterprises (SME). The focus will be on developing policies at the national level with input from experiences in selected communities. As such, it will include work to strengthen existing local capacities and to strengthen partnerships among local authorities, business and NGOs. Work will include support to economic policy reform, enterprise reform, and the development of a social security system responsive to new needs. Support will also target the promotion of entrepreneurial organizations through alternative employment, enterprise development and income-generating opportunities. Such support will cover, as appropriate, both public and private production, private-public partnerships, innovation and the provision of goods and services. Through this work, an enabling environment will be created to help to deal with the major difficulties of economic adjustment, to minimize the social costs of change, and to create alternative income-earning opportunities. This will be complemented by the experience from UNDP support at the local level, which will also demonstrate viable approaches to promoting democratic governance and decentralized management of local development. UNDP will utilize its experiences with the SME and self-employment promotion projects and build upon earlier initiatives in social security reform.

Policy dialogue and development; access to information

19. Continued support to the preparation of national human development reports will be supplemented by early warning and/or policy studies, covering sustainable human development issues in Belarus. The latter will be undertaken by strengthening the capacities of independent research institutions. Such studies will help to widen available information and contribute to a participatory process of discussion and exchange of views, facilitated by UNDP, which contributes to national policy development. The process will cover local and central level interactions of government, local authorities, NGOs and CBOs. Key subjects of dialogue will include humanitarian issues, gender issues, private sector development, human development and human rights, regional governance and the strengthening of local governance.

20. An important element in supporting dialogue and policy development will be increasing the access of the public and of development organizations, at local and national levels, to national and global knowledge and opportunities, through increased access to the Internet and communications technologies. Support will build on the ongoing Internet project to improve the use of information and communication technologies as an important tool to promote public education, democratic governance, policy dialogue, participatory development and economic development. A priority will be to develop information societies, covering government, local governments, civil society, the private sector and community entrepreneurial organizations on important sustainable human development areas.

Expected results

21. The expected results are: (a) reform is facilitated through reducing the social costs of transformation and poverty is reduced; (b) local economic development and democratic governance is accelerated though work among local authorities, civil society, entrepreneurs, and CBOs; (c) macro policies on important SHD areas are formulated through participatory dialogue; (d) access to the Internet is increased and information technology is better applied to support development; (e) the role of UNDP as a partner and development resource centre for Government and for donors is increased.

C. Programme area 2: Environmental conservation and management

22. The programme area will support the Government in the design of appropriate policies and development of capacity for sustainable management of environment resources and the promotion of viable approaches to the development of areas affected by fall-out from the Chernobyl catastrophe. Work in this programme will be done by adopting similar approaches as used for programme area number 1 and using the results of work done under other parts of the UNDP programme (e.g., support to dialogue, internet development). Support will be based on provisions of international conventions and by adopting an approach that recognizes people-environment interactions and social, economic and environmental linkages for sustainable development. UNDP support will target (a) biodiversity conservation and sustainable use of natural resources, especially of wetlands; (b) climate change mitigation, mainly through improving energy efficiency and promoting renewable sources of energy; (c) environmentally sound management of industrial pollution and water quality; and (d) community-based approaches to sustainable development to improve the lives of people affected by consequences of the 1986 Chernobyl disaster. Through this work, UNDP will support the Government to meet its national and international obligations and will facilitate the work of the international community with Belarus in meeting mutual obligations.

Environmental conservation and management

23. Support for environment management will focus on enhancing government and non-government capacities to deal more effectively with biodiversity conservation and sustainable use of natural resources. This will be achieved through assistance in the creation and effective management of protected areas for the most vulnerable ecosystems as well as in sustainable use of other natural resources, especially of wetlands. Problems associated with industrial pollution, also affecting water quality and inefficient use of energy will be addressed in order to reduce the deterioration of the environment and to mitigate global climate change. In all activities, there will be links between specific local actions, and help in putting in place or strengthening the implementation of conducive national policies. Raising public awareness and promoting access to information through

environmental education and public participation, as well as building partnerships with key national and international stakeholders, will be important elements in all activities.

Mitigating the effects from the Chernobyl disaster and providing alternatives

24. UNDP will assist the Government in improving the lives of people affected by the Chernobyl disaster through support to local efforts to improve economic and social conditions. Because international humanitarian appeals have brought relatively small response or benefit and because of the uncertainty in the economic environment in the affected areas, the programme will use community-based institutional approaches, based on self-help and self-management. Special consideration will be given to linkages among social, economic and environmental factors to help to reduce the continuing consequences from the radioactive fall-out. This will be done by strengthening the institutional capacities and networking of local authorities and NGOs and by providing communities with choices for support. The programme will also provide the Government with viable institutional and policy options for environmental management and sustainable development and facilitate resource mobilization from the international community. Selection of the areas, and the work itself, will employ approaches and capacities developed under other parts of the UNDP programme. It will be done taking into account scientific work undertaken by Belarusian and international institutions with support from WHO, the International Atomic Energy Agency (IAEA) and the Office of the United Nations Coordinator for Humanitarian Affairs and work done with Belarusian communities in partnership with international NGOs and donors.

Expected results

25. The expected results are: (a) enhanced institutional capacities of governmental organizations and NGOs for environmental management leading to the preservation of biodiversity, reduced industrial pollution and improved water quality as well as reduced greenhouse-gas emissions in targeted areas; (b) adoption of viable community-based approaches to sustainable development; (c) improved levels of human development among those affected by fall-out from the Chernobyl catastrophe; and (d) mobilization of resources to help Belarus deal better with these issues.

IV. Management arrangements

Programme management

26. Priority will be given to designing programmes more systematically within a coherent framework of support to national programmes and to closer partnerships with support from other donors and United Nations specialized agencies, funds and programmes. The national execution modality will be utilized as a priority; however, services of United Nations organizations or NGOs will be used in areas where there is a specific advantage from international or local community links. Training in programme design, implementation management, monitoring and results management will be organized to develop the capacity of both government and UNDP staff. Emphasis will be given to increased ownership and participation of the Government in programme development and implementation to ensure sustainability of the results from UNDP assistance. The UNDP Business Plans will provide the framework for programme development and management.

Monitoring, review and reporting

27. The strategic results frameworks (SRFs), results-oriented annual reports (ROARs) and the country office management plan will all be key instruments for implementation planning, monitoring, review and reporting. Results management will be incorporated as fundamental requirements for each programme or project, complemented with monitoring and impact assessment databases based on results-oriented indicators. All programmes or projects will be subject to standard UNDP monitoring and evaluation procedures (progress and technical reports, in-depth evaluations, tripartite reviews and field visits). United Nations specialized agencies, funds and programmes, donors and stakeholder organizations will be strongly encouraged to participate in these processes. As required, independent reviews will be conducted for appropriate advisory support to improve programme performance and impact. Tools will be applied to strengthen the team approach, including clustering of UNDP project management, to support successful implementation.

Coordination and networking

28. UNDP will take the lead in strengthening its contributions to aid coordination. The existing system of thematic coordination among the United Nations specialized agencies, funds and programmes will be further strengthened and expanded to be of more support to national and local development. UNDP will develop networking arrangements, covering government, non-government, private sector, United Nations and donor organizations to share knowledge. Through these initiatives, UNDP will help to facilitate outside donor support to Belarus and mobilize expert services from donor organizations for the transfer of knowledge and technology.

Strategic partnerships and resource mobilization

29. Programme development and implementation will be based on a partnership approach for the mobilization of support and resources from government, non-government, private sector, United Nations and donor organizations. Close linkages and common understanding will be developed with the government counterpart agency and with each executing agent. Performance of UNDP staff and programme management will be evaluated on the basis of the value of the partnership, the resources to be mobilized, and programme impact. UNDP core resources will be used as seed funds in all programme areas, with additional resources mobilized from donors, international NGOs, the Government and United Nations trust funds.

Advocacy and media strategy

30. Emphasis will be given to the documentation of successful experiences and all programmes will be required to establish links with the media to ensure dissemination of information to all stakeholders. Public information work will be an integral part of each programme strategy.

Annex

Resource mobilization target table for Belarus (2001-2004)

(in thousands of United States dollars)

Source	*Amount*	*Comments*
UNDP regular resources		
Estimated carry-over into 2001	474	Includes carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	502	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	207	
Subtotal	**1 183***	
UNDP other resources		
Government cost-sharing	1 500	
Sustainable development funds	3 000	GEF
Funds, trust funds and other	700	
	of which:	
Japan Women in Development Fund	400	
Danish Trust Fund	200	
the Swedish International Development Authority	100	
Third-party cost-sharing	3 000	
Subtotal	**8 200**	
Grand total	**9 383***	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.